GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2943
ANSWERED ON:16.03.2001
LEVEL PLAYING FIELD FOR INDUSTRY
CHADA SURESH REDDY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there has been a demand for ensuring a level playing field for Indian Industry particularly in the matter of charges of electricity that Indian industry has to pay;

(b) whether high cost of finances as compared to international level cost is also another concern;

(c) whether cost of organised labour is also high and its productivity is low; and

(d) if so, the Government`s response on these demands?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) to (d): A statement is enclosed.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA UNSTARRED QUESTION NO. 2943 FOR 16.03.2001

(a)&(b) : Yes sir. Several industrial organisations in their Pre-Budget memoranda had highlighted high interest & energy costs, and cascading effects of taxation on manufactured cost of domestic products as inhibiting factors for efficiency and growth.

(c): According to Annual Survey of Industries (ASI), cost of organized labour measured in terms of wages paid to workers, and labour productivity measured in terms of Net Value Added per worker has declined since 1994-95 with a marginal increase during 1997-98 ,for which the latest data is available.

(d):The government has taken several steps to mitigate various cost burden on Indian industry by initiating measures such as rationalization of excise and custom duty structure, reduction in Cash Reserve Ratio &the Bank Rate, and restoration of 100% MODVAT credit. To enhance labour productivity government has launched various schemes for skill development through vocational training and worker`s education.